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REPORT

United States
Department of
Agriculture
Foreign
Agricultural
Service
Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 40-81

WASHINGTON, Oct. 7--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade.

GRAIN AND FEED

The AUSTRALIAN WHEAT BOARD announced a sale of 1 million tons of wheat to the USSR with delivery starting in January 1982. This is the first sale from the new crop. Sources indicated that additional sales to the Soviets are expected once the size of the 1981/82 crop is known. Australian wheat shipments to the USSR during 1980/81 (July-June) are estimated at 2.4 million tons, down slightly from the year earlier, but still the second highest on record.

The NORTH CHINA PLAIN, with over one-fifth of China's farmland, apparently escaped serious damage when a flood crest on the Yellow River passed through in late September. Flooding appears to have been isolated to only local damage in the upper drainage areas. The loss of crops on a national scale is thought to have been minimal.

In JAPAN, feed manufacturers have begun using surplus rice in compound feed formulas, following some earlier resistance. Since July, the government has sold feed compounders about 27,000 tons (milled basis) of rice. Additional sales totaling 84,000 tons of rice are planned between October and December. Previously, compounders had resisted buying surplus rice because they did not feel the discount was sufficiently attractive. Altogether, about 220,000 tons of rice are expected to be fed during 1981/82 (July-June), displacing about an equal volume of feed grains, particularly sorghum.

In the UNITED KINGDOM, disease problems have reduced prospects for the 1981 hop crop. Total output is currently projected to be 3 to 5 percent below the 1980 harvest of 9,805 tons.

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OILSEEDS AND PRODUCTS

BRAZIL's exports of soybeans and products during January-August 1981 gained sharply from levels of a year ago, according to official preliminary shipping statistics published by SAFAS. Increased movements of soybeans oil and meal to the Soviet Union and soybean oil to India accounted for a large share of the gain.

On a monthly basis, Brazil's August exports of meal set a record at 1.12 million tons, compared with only 641,000 tons in the same month a year ago. Soybean oil exports, at 121,000 tons, slackened for the second consecutive month to 13 percent under the August 1980 level. Soybean exports in August, at about 210,000 tons, were 20 percent below the same month a year earlier.

Brazil's preliminary export statistics, with selected countries of destination, including tonnage and 1980 comparisons, are as follows in 1,000 tons.

	January - August	
	1980	1981
Soybeans		
USSR	0	483.5
EC	1/	159.6
Spain	478.3	395.3
Mexico	1/	153.5
Others	T/	55.4
Total	993.9	1,247.3
Soybean meal		
EC	1/	3,206.7
USSR	0	277.3
Hungary	1/	252.2
Czechoslovakia	T/	327.5
Philippines	T/	132.8
Indonesia	T/	116.7
Iran	T/	139.0
Poland	541.1	520.6
Others	1/	610.3
Total	4,425.2	5,583.1
Soybean oil		
India	127.0	461.4
USSR	2/ 30.5	58.4
PRC	0	25.4
Iran	160.9	119.3
Pakistan	49.9	47.4
Poland	7.7	19.4
Others	114.8	150.2
Total	490.8	881.5

1/ Not available 2/ Revised

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DAIRY, LIVESTOCK AND POULTRY

JAPAN's Ministry of Health and Welfare (MHW) was scheduled on Oct. 1 to begin a three-month program testing for antibiotic and antibacterial residues (ABR's) in imported meat and poultry products. Japan has a zero tolerance for ABR's in red meat and poultry under a 1959 food sanitation law.

All imported meats and poultry entering the ports of Tokyo, Osaka and Kobe will be tested for ABR's. The program calls for products not to be held at the ports until test results are received, but requires importers to keep records of shipments so that products can be recalled if necessary.

Although the ABR testing program will require additional time and expense, U.S. shipments of meat and poultry products to Japan should not be seriously affected.

MOHAIR PRODUCTION in the five major producing countries is expected to be up over 1,500 tons (8.7 percent) in 1981. Heavier angora goat pelts, largely due to cooler weather conditions in the United States, South Africa and Turkey are the main reasons for the expected production increase. Lesotho and Argentina, which account for the remainder of world commercial production, are expected to maintain last year's production level.

Commercial mohair production for specified years in the five major producing countries is as follows in tons (greasy basis):

	1979	1980	1981 Estimated
South Africa	5,401	6,120	6,880
Lesotho	500	500	500
Turkey	5,800	5,500	6,000
Argentina	1,320	1,320	1,320
United States	4,200	3,950	4,200
Total	17,221	17,390	18,900

FRANCE's production of broilers, turkeys and eggs continues to expand in 1981. Of the world's top five poultry and egg producing countries, France is expected to show the largest growth. Broiler production is forecast at 790,000 tons, 15 percent above 1980. This make France the top producer in the European Community (EC) and the fourth largest in the world. Turkey production is anticipated to be about 224,000 tons, 10 percent above 1980. While France stands as the world's third largest turkey producer, it is second to Italy in the EC. Of the three commodities, egg output expanded the least. France is expected to produce 15 billion eggs in 1981, up 4 percent from 1980. At this production level, France continues to be the largest producer in the EC and the fourth largest in the world.

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TOBACCO

IRELAND has raised tobacco excise duties for the fourth time this year. The most recent increase raises the price of cigarettes to the equivalent of US\$1.39 per pack of twenty for the best selling brand. This same brand sold for the equivalent of 86 U.S. cents in January 1980. The current price range for a pack of twenty cigarettes is US \$1.33 to US \$1.50.

Irish cigarette consumption fell an estimated 2 percent in 1980 and a similar decrease is expected this year. Informed sources point to the price increases, an economic recession and continued high level of smoking and health publicity. Little if any growth is expected during 1982.

HORTICULTURAL AND TROPICAL PRODUCTS

COLOMBIA announced on Sept. 17 changes in its coffee policy in order to provide financially hard pressed coffee growers some added support. The revised policy includes raising the support price for coffee meeting the minimum grading standards of the Coffee Growers Federation from 9,200 to 9,800 pesos per carga (125 kilograms) of parchment coffee. Also, the retention tax--the amount of parchment coffee exporters must deposit for each 70-kilogram bag export--has been raised from 18 to 22.5 kilograms as a measure of financial support for the National Coffee Fund. And, finally, the ad-valorem export tax has been reduced from 13 to 12 percent of the repatriation requirement (the amount of dollars exporters must deposit with the Central Bank for each 70-kilogram bag exported).

BRAZIL's orange crop for processing in the state of Sao Paulo has suffered from abnormally dry winter weather from June-September. A freeze in July, which severely damaged coffee and sugarcane, caused only minimal damage to citrus, affecting less than 5 percent of the trees. Freeze damaged fruit was picked before it dropped and sent to processing plants.

Mainly because of the dry weather, the amount of oranges to be processed during the current season is now expected to be about 128 to 132 million boxes of 40.8 kilograms (90 lb.), down 6 to 8 percent from earlier forecasts. The amount of orange juice concentrate (FCOJ) to be produced, however, is likely to remain close to earlier forecasts because of the high yields of solids per box of fruit processed. Total FCOJ production from the 1981 crop is likely to be around 480,000 or 490,000 tons at 65 degree brix (159 to 162 million gallons at 43.4 degree brix). Production during the 1980 season was estimated at 486,000 tons. This year's processing season is expected to terminate by the end of December.

Brazil's exports of FCOJ totaled 487,000 tons during 1980/81 (July-June), up 28 percent from the preceding season. Exports during 1981/82 are likely to be slightly lower because of a smaller carry-in.

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The first bloom for Sao Paulo's 1982 orange crop came in late August. There is concern that the bud drop may have been larger than normal because of the unusually dry weather in the preceding months. While noting the uncertainty of early forecasts, observers, nevertheless anticipate that the 1982 harvest could be roughly equal to the current crop if October rainfall is adequate.

BRAZIL's 1981 potato crop is expected to decline for the second consecutive year, in contrast with record harvests anticipated for both onions and garlic.

The potato harvest is estimated to reach 1,908,000 tons, slightly below the 1980 volume of 1,946,000 tons. A shortage of quality seed potatoes, increased production costs and insufficient loan availability were responsible for the decline.

The 1981 onion crop currently is estimated at 735,000 tons, up from 697,000 tons a year earlier because of record yields and increased production area.

Garlic production is estimated at 43,000 tons, exceeding the record 1980 outturn by 8 percent. This reflects good market prices, government restraint on imports and excellent crop development throughout the season.

U.S. AGRICULTURAL EXPORTS

The value of U.S. agricultural exports during October-August--the first eleven months of fiscal 1981--were up 9 percent from the comparable period a year earlier. Increases occurred in all commodity groupings except oilseeds, cotton and tobacco.

The European Community (EC-10) accounted for \$8.2 billion in sales of U.S. agricultural products during the October-August period. This is 8 percent less than the comparable period a year earlier. Exports to the centrally planned economies also were down 2 percent at \$5.2 billion for the same period. However, U.S. exports to the developing countries at \$14.3 billion increased 26 percent from the same period in fiscal 1980.

The decrease in export volume of U.S. coarse grains, oilseeds and cotton during most of fiscal 1981 can be attributed to several key elements affecting world trade, particularly in the spring and summer of 1981. All three product categories have been especially sensitive to high world interest rates, the strong U.S. dollar, slow economic growth characterized by lower demand for food and fiber products and abrupt changes in annual supply positions of these commodities. However, a reversal in some of the key economic indicators is currently underway and an increase is expected for both volume and value for these commodities in fiscal 1982, which began Oct. 1, 1981.

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Total exports of coarse grains during the first eleven months (Oct.-Aug.) of fiscal 1981 were down 1 percent in volume but up 18 percent in value, reflecting higher unit prices. The largest volume decrease occurred in exports of coarse grains to China, down more than 1 million tons or 59 percent from the same period of fiscal 1980. However, China more than doubled its purchases of U.S. wheat from 3.2 million tons to 6.8 million tons.

U.S. oilseed exports were slow throughout fiscal 1981 as a result of competition from Brazil and Argentina and sluggish world demand. Brazil's soybean production increased more than 48 percent in 1979/80 to 15 million tons. In 1980/81 (Oct.-Sept. basis), Brazilian exports of soybeans increased 55 percent to 1.9 million tons and soybean meal exports increased 42 percent to 7.8 million tons. Argentine exports are expected to increase 29 percent to a level approaching 3 million tons during the same period.

The relatively small supply of U.S. cotton for export during the 1980/81 fiscal year and a depressed world textile economy have resulted in a 39-percent reduction in exports for the first eleven months of the fiscal year. Cotton production in the Soviet Union and China was up 9 percent and 23 percent, respectively, which allowed for substantial increases in Soviet exports and reduced China's import requirements.

NEW FOREIGN AGRICULTURE CIRCULARS

Quota Cheese Imports Down in August, FD 6-81

U.S. Seed Exports, Quantity, Value and Destination, July 1980/81
and 1981/82 Marketing Years, FFVS 9-81

U.S. 1980/81 Cotton Exports by Customs Districts, FC 21-81

TO ORDER, contact: U.S. Department of Agriculture, FAS Information Services Staff, 5918-South, Washington, D.C. 20250, Tel. (202) 447-7937.

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U.S. Agricultural Exports To All Destinations
October 1979 - August 1981

COMMODITIES	UNIT	CUMULATIVE TO DATE				CURRENT MONTH (AUGUST)			
		QUANTITY	%	VALUE	%	QUANTITY	%	VALUE	%
		10/79-08/80	10/80-08/81	DIFF	10/79-08/80	10/80-08/81	DIFF	1980	1981
TOBACCO UNMEG.									
Burley	MT	40	31	-21	223,839	198,139	-11	2	14,983
Flue-cured	MT	177	150	-15	933,459	871,882	-7	8	41,680
Fire-Sun cured	MT	8	7	-12	31,136	29,508	-5	1	2,912
Maryland	MT	3	3	-15	15,218	14,939	-2	---	1,579
Cigar	MT	2	2	-12	29,978	25,001	-16	---	2,879
Other leaf	MT	4	4	-6	22,190	31,831	+43	---	2,403
Stems	MT	33	34	+1	17,022	37,376	+120	1	832
Total	MT	---	---	---	1,272,839	1,208,676	-5	---	67,267
HORTICULTURAL PROD.									
Tree nuts	MT	163	169	+3	525,672	450,793	-14	8	28,852
Fruit	MT	896	876	-2	359,951	394,100	+9	68	31,659
Fresh, citrus	MT	468	622	+32	284,869	401,566	+40	47	29,723
Canned	MT	142	147	+4	118,197	130,287	+10	11	9,289
Dried	MT	115	121	+5	199,628	205,530	+3	10	18,312
Juices	GAL	115,685	148,517	+28	192,373	221,792	+15	12,188	18,475
Vegetables, fresh	MT	660	762	+15	214,463	298,631	+39	33	11,744
Veg. prep. & pres.	MT	309	317	+2	226,769	263,207	+16	26	19,512
Other	3/	---	---	---	337,438	468,309	+38	---	33,900
Total	3/	---	---	---	2,459,362	2,834,215	+15	---	201,466
POULTRY PRODUCTS									
Meat	MT	219	300	+36	239,126	358,194	+49	19	19,379
Broiler	MT	27	27	+2	38,691	41,748	+8	4	4,410
Turkey	MT	20	22	+8	21,180	27,643	+31	2	1,258
Other poultry meat	MT	57,162	105,277	+84	61,333	95,223	+55	3,525	3,487
Egg products	DOZ	12	25	+112	31,574	52,878	+67	1	3,203
Other	3/	---	---	---	106,272	134,825	+26	---	9,467
Total	3/	---	---	---	498,176	710,511	+42	---	41,204
DAIRY PRODUCTS									
Non-fat dry milk	MT	90	96	+7	39,867	42,461	+7	5	2,148
Cheese	MT	5	5	+1	17,943	19,833	+11	---	1,624
Butter	MT	---	12	---	1,035	19,574	---	---	79
Other	3/	11,286	16,616	+47	83,405	143,851	+72	1,433	10,619
Total	3/	---	---	---	142,250	225,719	+59	---	14,470

(Cont inued)

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U.S. Agricultural Exports To All Destinations
October 1979 - August 1981

COMMODITIES	UNIT	CUMULATIVE TO DATE				CURRENT MONTH (AUGUST)			
		QUANTITY	%	VALUE	%	QUANTITY	%	VALUE	%
		10/79-08/80	10/80-08/81	DIFF	10/79-08/80	10/80-08/81	DIFF	1980	1981
LIVESTOCK & PRODS.									
Meat	MT	319	389	+22	671,318	784,484	+17	28	57,745
Beef	MT	53	108	+103	218,858	257,416	+18	6	21,990
Pork	MT	80	95	+19	174,189	250,046	+44	5	8,728
Variety	MT	186	186	---	278,271	277,022	---	17	27,027
Tallow	MT	1,349	1,334	-1	673,371	632,458	-6	92	54,654
Lard	MT	39	61	+56	23,320	38,831	+67	3	1,131
Live cattle	NO	50	86	+71	49,648	62,087	+25	5	2,845
Cattle hides	3/	---	---	---	647,878	569,142	-12	---	47,828
Furskins	NO	24,459	20,371	-17	366,521	323,123	-12	392	6,520
Other	3/	4,737	5,535	+17	458,971	517,282	+13	506	40,986
Total	3/	---	---	---	2,891,027	2,927,407	+1	---	211,709
SUGAR & TROP. PRODS.									
Sugar & sweeteners	3/	---	---	---	258,489	675,906	+161	---	58,882
Coffee	MT	12	17	+37	91,281	130,314	+43	1	8,276
Flavoring syrups	MT	24	30	+24	135,808	194,434	+43	2	13,003
Other	MT	72	67	-8	251,566	278,699	+11	6	23,172
Total	3/	---	---	---	737,144	1,279,353	+74	---	103,333
Grand total	3/	---	---	---	37,245,221	40,585,050	+9	---	3,243,650

1/ Includes by-products. 2/ Statistical Bale = 480 lbs. 3/ Quantity totals are not meaningful since units of measure differ.

SOURCE: U.S. Census data (unadjusted). NOTE: Value units are in thousands of dollars. Unit values are in thousands of units.

Trade and Economic Information Division
Trade and Marketing Branch, FAS, USDA

Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Oct. 6, 1981	Change from previous week	A year ago
	\$ per m. ton	\$ per bu.	¢ per bu.
Wheat			\$ per m. ton
Canadian No. 1 CWRS-13.5%.....	1/	1/	1/
U.S. No. 2 DNS/NS: 14%.....	190.00	5.17	+07
U.S. No. 2 DHW/HW: 13.5%.....	198.00	5.39	-08
U.S. No. 2 S.R.W.....	182.00	4.95	+08
U.S. No. 3 H.A.D.....	193.00	5.25	+16
Canadian No. 1 A: Durum.....	1/	1/	1/
Feed grains:			
U.S. No. 3 Yellow Corn.....	137.00	3.48	+18
U.S. No. 2 Sorghum 2/.....	1/	1/	1/
Feed Barley 3/.....	154.00	3.35	+13
Soybeans:			
U.S. No. 2 Yellow.....	266.50	7.25	+30
Argentine 4/.....	1/	1/	1/
U.S. 44% Soybean Meal (M.T.)..	233.00	--	+5.00 5/
EC Import Levies			
Wheat 6/.....	74.90	2.04	+08
Barley.....	77.70	1.69	+07
Corn.....	94.15	2.39	+05
Sorghum.....	78.65	2.00	+06

1/ Not available.

2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Optional delivery: U.S. or Canadian Feed Barley

4/ Optional delivery: Brazil yellow.

5/ Dollars per metric ton.

6/ Durum has a special levy.

Note: Basis October delivery.

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WASHINGTON, D.C. 20250**

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